



LEGISLATIVE UPDATE

October 2, 2015

The General Assembly adjourned ([SB 721](#)) on Wednesday morning, September 30, shortly after 4:00 a.m. This will be the Final Update for the 2015 Long Session. The legislature is set to return on April 25, 2016, unless the Governor issues a veto within the next 30 days (requiring an override session), or calls the legislature back for a special session.

Of major importance to public education, two controversial bills did not pass this week: [HB 539](#) Charter School Funding (significantly amending Fund 8) and [SB 95](#) Achievement School District. These pieces of legislation are eligible for the 2016 Short Session.

Wednesday, September 30, was likewise a big day for the federal government: Congress approved legislation to keep the federal government open through December 11, 2015. The federal Continuing Resolution (CR) will fund the U.S. government at a rate equal to an annual level of \$1.017 trillion, consistent with post-sequester spending caps for Fiscal Year (FY) 2016. The Senate vote tally was 78-20, and the House voted 277-151. If Congress had not passed this CR on Wednesday, the current FY 2015 funding would have expired Wednesday at midnight, and the federal government would not have been funded starting October 1, the first day of FY 2016.

Relevant Bills in Committee This Week:

(in numerical order)

[HB 15](#) Education Software/SWD Tuition – DID NOT PASS

On Tuesday, the House Appropriations Committee completely replaced the original provisions of HB 15 with multiple education provisions, and the House passed it. However, the Senate did not hear the bill either in committee or on the floor and no final legislative action was taken, leaving it eligible for the Short Session. Provisions of the amended bill would have done the following:

1. Allowed DPI to use agency funds (already subject to a \$2.5 million recurring cut) to enter into a statewide cooperative purchasing agreement for Microsoft Office software for public schools.
2. Amended a new principal preparation program enacted in the 2015 budget (Section 11.9 of [HB 97](#)) to establish the “Office of Principal Preparation” within the State Education Assistance Authority (SEAA). Provisions in the budget simply require the program to be administered by SEAA through “a cooperative agreement with a private, nonprofit corporation to provide funds for the preparation and support of highly effective future school principals...”
3. Amended the process for tuition endorsements and reimbursements for education scholarships for students with disabilities who attend nonpublic schools.
4. Allowed students at the NC School of Science and Mathematics and the NC School of the Arts (both under the UNC System) to have eligible fees paid by the state for Advanced Placement exams, consistent with their fellow public school students.

[HB 44](#) Local Government Regulatory Reform 2015 – PASSED ([SL 2015-246](#))

This legislation became law last week, and it contains nineteen pages of changes to statutes generally governing municipalities and counties. Section 6.(b), however, makes substantive changes to G.S. 115C-441 which became effective on October 1, 2015, and applies to expenditures incurred on or after that date. This newly revised law changes the Preaudit Requirements for LEAs to ensure compliance with any rules adopted by the Local Government Commission, and it sets forth new permissions for electronic payments or transfers.

[HB 259](#) General Government Technical Corrections – [PASSED](#)

(Signed by the Governor, October 1)

This is now a ratified bill and contains sixteen pages of a hodge-podge of technical corrections. Those relating to public education include:

1. Section 3.2 rewrites a section of the 2015 Budget to read: “The annual salary for permanent full-time and part-time noncertified public school employees whose salaries are supported from the State’s General Fund shall ~~remain unchanged~~ not be legislatively increased for the 2015-17 fiscal biennium, but may be increased as otherwise allowed by law.” (This has the effect of allowing LEAs to move noncertified staff up a step if that employee is on a locally adopted salary schedule.)
2. Section 3.3 adds a new subsection to Section 9.5 of the 2015 Budget that reads: “(c) Subsection (a) of this section shall not be construed to modify the compensation of persons initially employed as assistant principals prior to July 1, 2009, for work performed prior to July 1, 2015.” (This means that there will be no retroactive pay for years before July 1, 2015). For more guidance on 2015-16 Salaries, please see DPI’s Division of School Business “[Frequently Asked Questions](#).”
3. Section 3.7 grants a one-month extension of time for SBE’s Educator Preparation Program Report Card to December 15.
4. Section 8.49 clarifies that the 2015 appropriation for the Excellent Public Schools Act does not include any increase in funding for the NC Teacher Corps program.

[HB 539](#) Charter School Funding – DID NOT PASS

On Monday, the Senate amended and passed HB 539. This controversial bill would have revamped state laws on local charter school funding, particularly Fund 8. The bill received much debate within the House Republican caucus and never made it to the House floor for a vote. The bill will undoubtedly be a topic of in-depth discussion into the Short Session of 2016.

[HB 647](#) Epi Pens in All Child-Serving Businesses – [PASSED](#)

On Tuesday, the Senate Rules Committee approved an amended version of HB 647, the Senate passed it, and the House concurred with Senate changes. It now goes to the Governor’s desk. The bill allows healthcare providers to prescribe epinephrine auto-injectors to organizations, other than schools, at which allergens capable of causing anaphylaxis may be present (i.e., recreation camps, colleges, universities, day care facilities, youth sports leagues, amusement parks, restaurants, places of employment, and sports arenas). Participating entities must designate employees to receive training and be

responsible for the storage, maintenance, control, and general oversight of auto-injectors and potential administration of the medicine under certain circumstances. The bill also includes immunity clauses.

[SB 37](#) Waive Tuition when Fallen Officer was a Guardian – [PASSED](#)

On Tuesday, the House Appropriations Committee approved an amended version of SB 37, the House passed it, and the Senate concurred with House changes. The ratified bill awaits the Governor's signature. The bill will require UNC System schools and North Carolina Community Colleges to waive tuition for students who had a legal guardian, being a citizen of North Carolina, who was a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker killed while in active service, training for active service, or died as a result of a service-connected disability. This bill would not apply to a child with a surviving guardian (widow or widower) that has remarried.

[SB 119](#) GSC Technical Correction 2015 – [PASSED](#)

(Signed by the Governor, October 1)

The last bill passed in the wee hours of Wednesday morning session was a sweeping 41-page “technical corrections” bill, with various education provisions. Section 3.5(a) & (b) make technical corrections to [SL 2015-35](#) which requires partisan elections for the Iredell-Statesville Schools Board of Education. Section 60 verifies that the advanced courses report under G.S. 115C-174.26(h) is due on November 15. In Section 82, beginning in the 2016-2017 school year, LEAs will again complete the identification of military-connected students under [SL 2014-15](#), and submit this list to the Uniform Education Reporting System by January 31st. Section 83 changes [SL 2014-49](#) to make a public records exception for the Special Education Scholarships applications and related documents retroactively effective on July 29, 2013. Section 91.5(a) allows students in Halifax County Schools to participate in a summer STEM enrichment program set forth in the 2015 Budget. Section 56.5 gives local boards of education the power to establish, control and operate nonprofit corporations by adding a new subsection under G.S. 115C-47:

“(62) To Establish Nonprofit Corporations to Further Authorized Purposes. – Local boards of education may establish, control, and operate a nonprofit corporation that is created under Chapter 55A of the General Statutes and is a tax-exempt organization under the Internal Revenue Code to further their authorized purposes. A nonprofit corporation established as provided in this section shall not have regulatory or enforcement powers and shall not engage in partisan political activity or policy advocacy. Any local board of education that establishes a nonprofit corporation shall make a report annually to the Joint Legislative Education Oversight Committee.”

[SB 279](#) Amend Qualifications/Practice of Counseling – [PASSED](#)

On Tuesday, a negotiated [report](#) for this bill emerged from the conference committee with considerable changes, some of which were unrelated to the content of the bill entirely and had no prior hearing. The conference report failed to gain legislative approval, but the Senate concurred with the previous version of the bill amended and passed by the House, giving this prior version the final legislative approval needed to go to the Governor's desk.

As previously reported, the bill expands the definition of eligible “credentialed experts” who can review course information and materials under the statute enumerating curricula on reproductive health and safety education. It also mandates the teaching of Sex Trafficking Prevention and Awareness as part of the health education curriculum under G.S. 115C-81. Finally, it amends qualifications/accreditations for licensed professional counselors overseen by the State Board of Licensed Professional Counselors (a board that is wholly separate from and unrelated to SBE’s licensure of school guidance counselors).

[SB 456](#) Charter School Modifications – DID NOT PASS

(Proposed Committee Substitute entitled “*Modifications to Opportunity Scholarships*”)

At Tuesday’s House Appropriations Committee, there was an attempt to gut the former charter school bill and create new legislation increasing the percentage of Opportunity Scholarships funds for eligible kindergarteners and first graders. This attempt failed by a narrow margin (24:26), and the potential new bill failed in Committee.

[SB 524](#) Graduation Requirements/Sports Pilot – [PASSED](#)

On Monday, the House Rules Committee amended and approved SB 524, and the House passed it. The Senate concurred with the House changes on Tuesday; it now goes to the Governor’s desk. The bill amends the state’s *Founding Principles* curriculum beginning with the 2016-17 school year. It directs the SBE, rather than local boards of education, to require the teaching of a semester course that includes instruction in Founding Principles of the United States of America and “the State of North Carolina” (added in committee) during the high school years, removing “American History I – The Founding Principles” as the statutorily-named course to fulfill this requirement. The bill also provides additional topics to be covered in the *Founding Principles* requirements.

The bill was further amended in committee to allow DPI to use up to \$300,000 in FYs 2015-16 and 2016-17 to develop and implement a pilot program for an integrated community-based adapted sports program for students with disabilities in grades K-12. The program must include specific strategies to overcome barriers for participation of students with disabilities in extracurricular athletics and incorporate a philosophy of personal empowerment for those students.

[SB 561](#) Funds for Special Education Scholarships – DID NOT PASS

(formerly “Career and College-Ready Graduates”)

On Tuesday, the House Appropriation Committee totally replaced the previous SB 561 with new language that would have provided an additional \$2,800,000 recurring appropriation to the SEAA for special education scholarships. The bill handily passed the House, but was not taken up in the Senate. The Senate referred the bill to its Rules Committee, and it can be heard next session.

Other Bills with Action This Week:

[HB 272](#) Appointments Bill 2015 (two new members to Charter School Advisory Board)

- House and Senate approved conference report
- Presented to the Governor

[HB 318](#) Protect North Carolina Workers Act

- Amended by the Senate
- House concurred with Senate changes
- Presented to the Governor

[HB 373](#) Elections

- House and Senate adopted [conference report](#)
- Signed by the Governor, September 30

[HB 482](#) Employee Misclassification Reform

- Bill did not receive a concurrence vote in the House
- Eligible to be heard in 2016

[HB 495](#) OSHR Modernization/Technical Changes

- House and Senate adopted [conference report](#)
- Signed by the Governor, October 1

[HB 503](#) Moore Co. Comm. and Bd. of Ed. Changes

- [SL 2015-244](#)

[HB 527](#) Omnibus Local Act

- [SL 2015-253](#)

[HB 658](#) Additional Operating Funds/Eastern 4-H Center
(formerly “Funds for Educational Training Centers”)

- Amended in House Appropriations
- Passed by the House
- Referred to the Senate Rules Committee; therefore, did not pass

[HB 792](#) Privacy/Protection From Revenge Postings

- [SL 2015-250](#)

[HB 795](#) Regulatory Reform Act of 2015

- House and Senate adopted [conference report](#)
- Presented to the Governor

[HB 943](#) Connect NC Bond Act of 2015

- House concurred with Senate changes
- Presented to the Governor

[SB 238](#) Stalking by GPS/Criminal Offense

- Presented to the Governor

[SB 400](#) School Access for Boy Scouts/Girl Scouts

- [SL 2015-249](#)

[SB 519](#) Amend Child Custody Laws

- Passed by House
- Presented to the Governor

[SB 676](#) Autism Health Insurance Coverage

- Senate concurred with House changes
- Presented to the Governor

[SB 694](#) Reagan’s Rule/Enforce Pharmacy Benefits Management

- Passed by the House
- Senate concurred with House changes
- Presented to the Governor

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(through November 2015)